



**Compensation Committee Charter
Adopted December 5, 2002
Amended December 4, 2003**

I. Purpose

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of AMB Property Corporation (the "Company") to discharge the Board's responsibilities relating to compensation of the Company's directors and officers. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company.

II. Composition

- > The Committee shall consist of no fewer than three members.
- > Each member of the Committee shall meet the independence requirements of the New York Stock Exchange.
- > The members of the Committee, and its chairperson, shall be appointed by the Board on the recommendation of the Company's Nominating & Governance Committee, and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

III. Committee Structure and Operations

In the event of a tie vote on any issue, the chairperson's vote shall decide the issue. The Committee shall meet in person or telephonically at least three times a year at a time and place determined by the Committee chairperson, with further meetings to occur when deemed necessary or desirable by the Committee or its chairperson. The Committee shall prepare a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

The Committee may invite such members of management to its meetings as it may deem desirable or appropriate, consistent with the maintenance of the confidentiality of the compensation discussions. The Company's Chief Executive Officer (the "CEO") should not attend any meeting where the CEO's performance or compensation are discussed, unless specifically invited by the Committee.

IV. Authority and Responsibilities

The authority and responsibilities of the Committee shall be as follows:

- > The Committee shall, in consultation with executive management, establish the Company's general compensation philosophy, and oversee the development and implementation of compensation programs.
- > The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or

executive compensation and shall have sole authority to approve the compensation consultant's fees and other retention terms.

- > The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- > The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and, either as a Committee or together with the other independent Directors on the Board, determine and approve the CEO's compensation level based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider, among other factors, the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in the past.
- > The Committee shall review executive management's planning for executive development and succession, and shall approve a CEO succession plan.
- > The Committee shall review and approve compensation programs applicable to the executive management of the Company.
- > The Committee shall review and recommend to the Board compensation programs applicable to the non-employee directors of the Company.
- > The Committee shall make recommendations to the Board with respect to the Company's incentive compensation plans and equity-based plans, review the activities of the individuals and committees responsible for administering these plans, and discharge any responsibilities imposed on the Committee by any of these plans.
- > The Committee shall, in consultation with executive management, review regulatory compliance with respect to compensation matters, including reviewing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- > The Committee shall review and approve any severance or similar termination payments proposed to be made to any Chief Executive Officer or President of the Company.
- > The Committee may form and delegate all or a portion of its authority and responsibilities to subcommittees when appropriate.
- > The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The performance of the Committee shall be reviewed annually by the Nominating & Governance Committee, which shall report its findings to the Board.
- > The Committee shall prepare an annual report of the Committee on executive compensation for inclusion in the Company's annual proxy statement in accordance with applicable SEC rules and regulations.



- > The Committee shall perform such other duties and responsibilities as may be assigned to it, from time to time, by the Board.